

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION

DALLAS GAS PARTNERS, L.P.	§	
	§	
v.	§	CIVIL ACTION NO. G-04-669
	§	
PROSPECT ENERGY CORPORATION	§	
	§	

ORDER

Before the Court is the Magistrate Judge' s Amended Report and Recommendation entered on December 15, 2005. The Report recommends that Defendant Prospect Energy Corporation' s (" Prospect") Motion for Summary Judgment be granted and that Plaintiff Dallas Gas Partners' (" DGP") Motion for Leave to File Second Amended Complaint be denied.

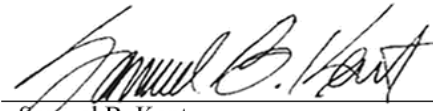
DGP has filed extensive Objections that largely repeat identical arguments presented to the Magistrate Judge. Plaintiff alleges the Report is incorrect because: (1) this Court already ruled that the parties are not bound by the LLC Agreement at issue here; (2) Prospect cannot enforce the agreement; (3) neither Plaintiff nor Defendant are parties to the agreement; and (4) the mutual release provisions contained in the agreement were obtained by fraud. The first claim is without merit. This Court made no such ruling as Plaintiff claims. The second claim is equally untenable, as the Report shows. The Court' s review of the LLC Agreement leads it to agree with the Magistrate Judge' s Report, which the Court adopts in its entirety, that the third and fourth claims must fail as well.

Having given this matter *de novo* review under 28 U.S.C. § 636(b)(1)(C), this Court finds

that the Amended Report and Recommendation should be **ACCEPTED**.

Accordingly, it is **ORDERED** that Defendant' s Motion for Summary Judgment (Instrument No. 35) is **GRANTED** and Plaintiff' s Motion for Leave to File Second Amended Complaint (Instrument No. 36) is respectfully **DENIED**. This case is referred back to the Magistrate Judge for consideration of Defendant' s counterclaim.

DONE at Galveston, Texas this 16th day of February, 2006.



Samuel B. Kent
United States District Judge